



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **WM-4**

June 9, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**CHEVRON PIPE LINE COMPANY-COUNTY REIMBURSEMENT
SUPPLEMENTAL AGREEMENT
LOS ANGELES COUNTY DRAINAGE AREA PROJECT
SUPERVISORIAL DISTRICT 4
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign the enclosed Supplemental Agreement between the County, acting on behalf of the Los Angeles County Flood Control District, and Chevron Pipe Line Company (Chevron) for work associated with the Los Angeles County Drainage Area (LACDA) Project. This Supplemental Agreement is for an amount not to exceed \$45,828.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On October 5, 1999, the County and Chevron entered into an Agreement for relocating and modifying oil and gas pipelines and facilities owned by Chevron to accommodate the LACDA Project improvements.

The County agreed to reimburse Chevron the estimated cost of relocation in an amount not to exceed \$525,000. The Agreement contains a provision that requires the County to prepare a Supplemental Agreement if Chevron's actual costs of relocation exceeded \$525,000 upon receipt of Chevron's claim and adequate justification.

Chevron submitted its final invoice in the amount of \$570,828 requesting the reimbursement for the relocation costs. The increase in the amount of \$45,828 compared to the original estimate was a result of implementing an expedited construction schedule necessary to complete the critical work prior to the storm season. We find this cost increase to be reasonable.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund. The amount of \$45,828 financed by this Supplemental Agreement is available in the Fiscal Year 2004-05 Flood Control District Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The enclosed Agreement was executed by Chevron on March 10, 2005, and has been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

Award of this Supplemental Agreement will have no environmental impact.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

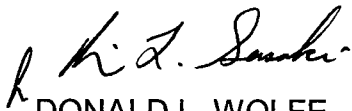
Not applicable.

The Honorable Board of Supervisors
June 9, 2005
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CONCLUSION

Please return three fully executed originals of this letter and the enclosed Supplemental Agreement to Public Works.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald L. Wolfe", is written over the printed name.

DONALD L. WOLFE
Acting Director of Public Works

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Enc.

cc: Chief Administrative Office
County Counsel

S U P P L E M E N T A L A G R E E M E N T

This **SUPPLEMENTAL AGREEMENT**, made and entered into by and between the **COUNTY OF LOS ANGELES**, a political subdivision of the State of California, hereinafter referred to as "**COUNTY**," acting on behalf of the **Los Angeles County Flood Control District**, a body corporate and politic, hereinafter referred to as "**DISTRICT**"; and the **CHEVRON PIPE LINE COMPANY**, a Delaware corporation, hereinafter referred to as "**CHEVRON**":

W I T N E S S E T H

WHEREAS, **COUNTY** is administering all matters for the **DISTRICT** pursuant to Section 56-3/4 of the **COUNTY'S** Charter and the Agreement between **COUNTY** and **DISTRICT** dated December 26, 1984; and

WHEREAS, on October 5, 1999, **CHEVRON** and **COUNTY** entered into an **AGREEMENT** to establish the terms and conditions for relocating, and modifying oil and gas pipelines and facilities owned by **CHEVRON**, to accommodate the **LACDA PROJECT** improvement, hereinafter known as the "**RELOCATION**"; and

WHEREAS, **COUNTY** agreed to reimburse **CHEVRON** for its actual costs of said **RELOCATION** not to exceed five hundred twenty-five thousand dollars (\$525,000); and

WHEREAS, **COUNTY** agreed to, upon receipt of claim and adequate justification, prepare a supplemental agreement to cover the additional amount if **CHEVRON'S** actual costs of the **RELOCATION** exceed five hundred twenty-five thousand dollars (\$525,000); and

WHEREAS, the actual cost of the **RELOCATION** is now five hundred seventy thousand, eight hundred and twenty-eight dollars (\$570,828), and is therefore forty-five thousand, eight hundred and twenty-eight dollars (\$45,828) in exceedence of the original agreement estimate of five hundred twenty-five thousand dollars (\$525,000); and

WHEREAS, the additional costs were a result of an expedited schedule to complete the critical work prior to the storm season; and

WHEREAS, it is mutually understood and agreed to by the **COUNTY** and **CHEVRON** to amend certain provisions of the **AGREEMENT**;

NOW, THEREFORE, in consideration of foregoing recitals, it is mutually agreed by and between the **COUNTY** and **CHEVRON** hereto that the **AGREEMENT** is hereby amended by the changes, additions, omissions, or deductions set forth below.

COUNTY AGREES:

To reimburse **CHEVRON** within forty-five (45) days of the execution of this **SUPPLEMENTAL AGREEMENT** by the **COUNTY** and **CHEVRON**, an amount equal to, but not to exceed five hundred seventy thousand, eight hundred and twenty-eight dollars (\$570,828) for the **RELOCATION**. This includes the supplementary amount of forty-five thousand, eight hundred and twenty-eight dollars (\$45,828) in addition to the original agreement estimate of five hundred twenty-five thousand dollars (\$525,000).

CHEVRON AGREES:

The amount of five hundred seventy thousand, eight hundred and twenty-eight dollars (\$570,828) constitutes the final and total cost of the **RELOCATION**.

IT IS MUTUALLY UNDERSTOOD AND AGREED THAT:

- A. Payment of five hundred seventy thousand, eight hundred and twenty-eight dollars (\$570,828) to **CHEVRON** constitutes the final payment for reimbursement to **CHEVRON** for its **RELOCATION** cost.
- B. All other terms and conditions of the **AGREEMENT** remain unchanged.

IN WITNESS WHEREOF, the COUNTY and CHEVRON hereto have caused this SUPPLEMENTAL AGREEMENT to be executed by their respective officers, duly authorized by CHEVRON PIPE LINE COMPANY on March 10, 2004, and by the COUNTY OF LOS ANGELES on _____, 2004. 2005 DER

COUNTY OF LOS ANGELES, acting
on behalf of the Los Angeles
County Flood Control District

CHEVRON PIPE LINE COMPANY

BY _____
Chair, Board of Supervisors

By Diane E. Russell
Title: Assistant Secretary

ATTEST:
Executive Officer-Clerk of
The Board of Supervisors

BY _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By Fredrick E. Scott
Deputy